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## CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT

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(FOR KEY SEE REVERSE)

- During the last two months the Central Office for Research and Technology (ZAFT) of the East German State Planning Commission has been 25X1 mainly engaged in working out a number of "analyses" which it was requested to make by the State Planning Commission. At the 23rd plenary session of the Central Committee of the SED, former Minister Heinrich Ziller criticized the poor fulfillment of the 1954 research and development plan in general and, in particular, attacked ZAFT because this office had been unable to make a full analysis of the fulfillment of the 1954 research and development plan. Ziller's attack against ZAFT caused great alarm in the leading circles of ZAFT. Its head, Prof. Werner Lange, issued immediate orders for the preparation of an analysis bearing on the most important results of the 1954 research and development plan, in which the so-called D-Themen were to be particularly stressed. The ambysis was made by the Fachreferenten for their individual areas and later consolidated by the ZAFT head office. It was fully understood in the leading circles of ZAFT that speedy forwarding of the analysis to the State Planning Commission was necessary in order to refute the arguments of Ziller, who is considered ZEFT's long-standing and worst enemy. As reasons for the under-fulfillment of the 1954 research and development plan, it was pointed out that the poor fulfillment was caused by shortage of important materials, shortage of skilled personnel, and lack of proper directives from the various responsible ministries. This latter point was particularly stressed because it was known that much of the criticism levelled at ZAFT came from high personnel in these Finistries. The analysis was forwarded to the State Planning Commission about four weeks after Ziller's criticism of ZAFT.
- 2. In May 1955, the State Planning Commission requested ZAFT to prepare another analysis bearing exclusively on the fulfillment of the 1954 25X1 D-Themer. ZAFT was particularly requested to point out clearly what advantages were interpreted through themer, what difficulties were met in carrying them out; and what changes were to be made in the future in order to achieve a better fulfillment of DeThemer. This analysis 25X1 was forwarded to the State Pranting Commission in late May 1955.

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In mid-May 1955, ZAFT was also requested by the State Planning Commission to work out an englysts bearing on the results of research and development during the First Five Year Plan period. This analysis was to serve as a basis forma preparatory analysis of research and development during the Second Five-Year Plan period to be worked out by ZAFT later in cooperation with the Work Circles. ZAFT completed this analysis in early June 1955. Based on the results of the First Five-Year Plan period, the analysis recommended that particular stress be put on the furtherance of research and development during the Second Five Year Plan period in the following fields:

- Increased use of synthetic fibers in production.
- b. Development of new substitutes for nonferrous. Thetals.
- Development of new substitutes for wood. It was pointed out that this development was imperative in view of the fact that, during the Second Five-Year Plan period, deforestation. In planned to be reduced to 35 percent of its average during the First Five-ear Plan period.
- New developments in machine construction. New developments in the electrical industry.
- almost the entire manpower of ZAFT, during April engaged in preparing the analyses mentioned, other work progressed of slowly. In particular, work bearing on the registering of Work Circles and founding of new Work Circles progressed vary little during this time.

Comment:	men are research and development projects of special tance which have to be approved individually by Jouncil of Ministers.		
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